

MINUTES
INVESTMENT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
TUESDAY, OCTOBER 19, 2021
PENSION OFFICE
9:00 A.M.

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| Roll Call | Mr. Reed called the meeting to order at 9:02 AM |
| Committee Members Present | Larry Reed, Fire/Retiree Representative; Jimmy Foster, Police Representative; Dean Pearson, Fire Representative |
| Committee Members Absent | Harry Griffin, Police/Retiree Representative; Vance Meade, Fire Representative |
| Others Present | Jim Smith, Police Representative; Warren Schott, Executive Director; Cary Hally, Chief Investment Officer; Giovanni Núñez, Investment Analyst; Wesley Levanduski, Investment Analyst; Gail Jensen, General Counsel; Mark Gremmer, Deputy Director; Nancy Ybarra, Executive Assistant |

Approval of Minutes of September 22, 2021

- Mr. Foster made a motion to approve the minutes of the September 22, 2021, Investment Committee meeting. The motion carried unanimously.

William Blair Update

- Representatives of William Blair Investment Management provided a Firm update and a performance review regarding the two mandates that the Pension Fund holds with the Firm. As of September 30, 2021, The Pension Fund has approximately \$106 million invested in William Blair's International Leaders strategy and approximately \$110 million invested in their Small Cap Growth strategy.
- The International Leaders strategy outperformed the MSCI AC World ex-US Index by 3.4% in the third quarter of 2021, outperformed the index by 1.1% year-to-date, and is out-performing by 9.4% since inception with the Pension Fund. The Small Cap Growth strategy outperformed the Russell 2000 Growth Index by 6.2% in the third quarter of 2021, outperformed the index by 11.4% year-to-date, and is outperforming by 6.1% since inception with the Pension Fund. No action was taken.

Private Debt Search Update

- NEPC presented five potential managers as part of the Private Debt Search which was initiated last month. The Pension Fund has \$50 million of Private Debt commitment capacity remaining in 2021 and this search seeks to commit at least \$25 million to one manager. After discussion, Mr. Pearson made a motion to perform further due diligence on 400 Capital Asset Based Term Fund III, Callodine Asset Based Loan Fund II, and the Entrust Blue Ocean Onshore Fund II. The motion carried unanimously.

Ocean Avenue Fund V Re-Up Commitment

- The Committee discussed a re-up opportunity with Ocean Avenue Fund V. Fund V will continue a 100% direct co-investment strategy with Independent Sponsors in the lower-middle market. In 2019, the Pension Fund invested \$20 million in Fund IV, and as of September 30, 2021, Fund IV has a net internal rate of return of 43.6% and net total value to paid-in multiple of 1.3x. After discussion, Mr. Foster made a motion to recommend to the Board to commit \$25 million to Ocean Avenue Fund V. The motion carried unanimously.

Adjournment: Mr. Pearson made a motion to adjourn at 10:51 AM. The motion carried unanimously.

Approved this ____ day of _____, 2021.

Larry Reed, Investment Committee Chairman